

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554**

In the matter of:)	
)	
Universal Service Support Mechanism)	
)	CC Docket No. 96-45
Ex Parte Comments on Proposed Fourth Quarter 2004)	
Universal Service Contribution Factor (DA 04-2976))	
)	

The following comments are submitted by the **Wisconsin Department of Public Instruction** (department) in response to the Proposed Fourth Quarter 2004 Universal Service Contribution Factor (DA 04-2976). This proposal was released on September 16, 2004, and will take effect unless the Commission acts accordingly.

The department requests that the full Commission review and take action to prevent the proposal to apply \$150 million from Universal Service collections to lower the projected contribution required for the schools and libraries support mechanism for the last quarter of 2004. We are perplexed that this reduction in contributions is taking place at the same time that E-rate funding has been suspended because of the required change in accounting standards. The proposal to lower the contribution may exacerbate a cash flow issue brought about by the accounting change. And this cash flow issue may further delay funding commitments to schools and libraries. (The August 3, 2004, suspension in funding commitments is already having a very negative impact on many E-rate applicants.) Pending the resolution of the accounting issue, the department believes that any reduction in the contribution factor is not prudent. The Commission must take action by September 30th regarding the \$150 million, or the proposal will be automatically approved.

The department believes there is no need to outline further the rationale for its request. Rather, we support the more detailed comments on this issue filed by E-Rate Central and the State Coordinators' E-rate Alliance (SECA).

The Wisconsin Department of Public Instruction appreciates the opportunity to comment on this important issue and we hope the Commission will take appropriate action.

Submitted September 26, 2004 by:

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